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JUL 07 '08 10-00 AM
SURFACE TRANSPORTATION BOARD

July 7, 2008

Anne Quinlan, Esq.
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

Dear Ms. Quinlan:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Security Agreement dated 6/27/08 including the following parties and railroad equipment:

Secured Party:	Wells Fargo Equipment Finance, Inc. 733 Marquette Avenue So. Minneapolis, Minnesota 55402
Debtor:	Twin Cities & Western Railroad Company 2925 12 th Street East Glencoe, MN 55336
Equipment:	1, EMD GP39-2 Locomotive TCWR 2301 previously KCCX 910

Please record this agreement as a primary document. The filing fee of \$35 is enclosed.
Summary: Memorandum of Security Agreement dated 6/27/08 between Wells Fargo Equipment Finance, Inc. as Secured Party and Twin Cities & Western Railroad Company as Debtor including 1 locomotive, TCWR 2301, previously KCCX 910.

Sincerely,



Mary Ann Oster
Research Consultant

Enclosure

(JUL 07 '08

10-00 AM



Wells Fargo Equipment Finance
Investors Building, Suite 700
733 Marquette Ave So
Minneapolis, MN 55402

SURFACE TRANSPORTATION BOARD

Memorandum of Security Agreement

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") is made this 27th day of June, 2008, by and between Twin Cities & Western Railroad Company, an Minnesota corporation ("Debtor"), and Wells Fargo Equipment Finance, Inc., a Minnesota Corporation ("Secured Party").

A. The Debtor is or may become indebted to the Secured Party pursuant to certain agreements executed by the Debtor in favor of the Secured Party.

B. To secure the Debtor's obligations to the Secured Party, the Debtor executed and delivered to the Secured Party a Security Agreement dated June 27, 2008 pursuant to which the Debtor granted to the Secured Party a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) One (1) Locomotive 1977 EMD GP39-2 SN:766028-6 Equip#910 PDA#7041, Old marking KCCX 910, New Marking TCWR 2301 including all attachments and accessories (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;

(d) all rights, claims and causes of action, if any, which the Debtor may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;

(e) all rent, damages and other moneys from time to time payable to or receivable by the Debtor in respect of the Railcars; and

(f) all proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

Twin Cities & Western Railroad Company

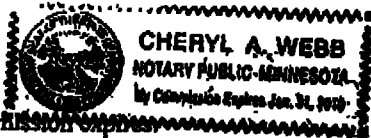
Wells Fargo Equipment Finance, Inc.

By: Mark J. WagnerBy: Michael J. [Signature]Title: PresidentTitle: Sr. Contract Admin

STATE OF Minnesota
COUNTY OF Hennepin

On this 30 day of June, 2008, before me, a Notary Public of the City and State aforesaid, personally appeared Mark Wogness, to me personally known, who being by me duly sworn, says that he is the President of Twin Cities Western R.R., an Minnesota corporation, the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.



My commission expires

Cheryl A. Webb
Notary Public

STATE OF Minnesota
COUNTY OF Hennepin

On this 31 day of July, 2008, before me a Notary Public of the City and State aforesaid, personally appeared Peter Noss, to me personally known who being by me duly sworn, says that (he/she) is a Senior Contract Administrator of Wells Fargo Equipment, that foregoing instrument is/was signed on behalf of said corporation by authority of its Board of Directors, and (he/she) acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

(Seal)

My commission expires: 1/31/13

Michael Alex Underwood
Notary Public

